

Message Text

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ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 COME-00 EB-12 AGR-20 CIEP-03

STR-08 CU-05 AF-10 NEA-14 DODE-00 CIAE-00 PM-07

INR-11 L-03 ACDA-19 NSAE-00 PA-04 RSC-01 PRS-01 SP-03

USIA-15 TRSE-00 SAJ-01 SS-20 NSC-07 DRC-01 OMB-01

CEA-02 /208 W

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R 041630Z OCT 74

FM USMISSION GENEVA

TO SECSTATE WASHDC 8607

INFO USMISSION NATO BRUSSELS

USMISSION EC BRUSSELS

LIMITED OFFICIAL USE SECTION 1 OF 2 GENEVA 6228

EO 11652: N/A

TAGS: EGEN, PFOR, CSCE

SUBJ: CSCE: TRADE ISSUES

1. IN AN EFFORT TO ADVANCE NEGOTIATIONS ON KEY BASKET II TEXT ON TRADE OBSTACLES, EC WISHES TO INTRODUCE NEW TEXT SUBSTITUTING FOR KEY SECTIONS OF EARLIER PROPOSAL D/9. THEY INDICATE THEY DO NOT WISH TO MAKE ANY CONCESSIONS ON SUBSTANCE, BUT BELIEVE INTRODUCTION OF NEW LANGUAGE IN PLACE OF TEXT UNDER DISCUSSION SINCE JANUARY WITH NO REAL PROGRESS MIGHT GIVE PSYCHOLOGICAL IMPETUS TO NEGOTIATIONS. SEVERAL OF OUR BASKET II COUNTERPARTS FROM EC HAVE EXPRESSED HOPE THAT SUCH INITIATIVE COULD WRAP-UP BASKET II WORK BY CHRISTMAS, OR AT LEAST REDUCE OUTSTANDING QUESTIONS TO VERY SMALL HARD CORE THAT COULD BE LEFT IN SUSPENSE UNTIL OTHER ASPECTS OF CSCE HAD PROGRESSED TO FINAL STAGE.

2. EC INFORMED US OF THIS STRATEGY IN OCTOBER 2 NATO CAUCUS, AND SAID THEY WOULD GIVE US PROPOSED LIMITED OFFICIAL USE

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TEXT AS SOON AS APPROVED BY GOVERNMENTS. IT WOULD

THEN BE DISCUSSED AMONG NATO 15 WITH AIM OF ARRIVING AT TEXT WE COULD ALL SUPPORT. THEY EXPRESSED HOPE THEY COULD GIVE US SUCH TEXT FORMALLY NEXT WEEK. IN MEANTIME, WE HAVE BEEN GIVEN TEXT BY ONE EC DELEGATION ON INFORMAL BASIS WITH CAVEAT THAT IT DOES NOT YET HAVE EC INTERNAL APPROVAL. TO GIVE DEPARTMENT MAXIMUM TIME FOR REVIEW, WE ARE HEREWITH TRANSMITTING IT WITH OUR INFORMAL TRANSLATION AND COMMENTS. (TRANSLATION IS BASED TO EXTENT POSSIBLE ON THAT USED IN ENGLISH VERSION OF DOCUMENT D/9.) CROSS REFERENCES AFTER EACH PARA ARE TO PARAS OF D/9. WE RECOMMEND IT NOT BE DISCUSSED OUTSIDE USG UNTIL WE GET TEXT FORMALLY FROM EC. (ALSO IMPORTANT TO NOTE EC MAY MAKE MODIFICATIONS IN MEANTIME.)

BEGIN TEXT:

(1.) SONT DECIDES A PROMOUVOIR, SUR LA BASE D'UNE RECIPROCITE ASSURANT L'EQUIVALEENCE DES AVANTAGES ET DES OBLIGATIONS, L'EXPANSION DE LEURS ECHANGES MUTUELS ET A ASSURER LES CONDITIONS FAVORABLES A CE DEVELOPPEMENT (POINT 10). END TEXT.

TRANSLATION: ARE DETERMINED TO PROMOTE ON THE BASIS OF RECIPROCITY ASSURING THE EQUIVALENCE OF ADVANTAGES AND OBLIGATIONS, THE EXPANSION OF THEIR MUTUAL TRADE AND TO ASSURE CONDITIONS FAVORABLE TO THIS DEVELOPMENT.

BEGIN TEXT:

(2.) RECONNAISSENT DANS CET ESPRIT LES EFFETS BENEFIQUES QUI PEUVENT RESULTE DE L'APPLICATION DU TRAITEMENT NPF (POINT 7). END TEXT.

TRANSLATION: RECOGNIZE, IN THIS SPIRIT, THE BENEFICIAL EFFECTS WHICH CAN RESULT FROM THE APPLICATION OF MFN TREATMENT.

BEGIN TEXT:

(3.) WILL ENCOURAGE THE EXPANSION OF TRADE ON AS BROAD A MULTILATERAL BASIS AS POSSIBLE, WHILE TRYING TO ENSURE THAT IT TAKES FULL ACCOUNT IN ITS VARIOUS FLOWS OF ALL COMMERCIAL AND ECONOMIC OPPORTUNITIES (POINT 11). (ORIGINAL IS IN ENGLISH) END TEXT.

BEGIN TEXT:

(4.) WILL FOSTER A STEADY GROWTH OF TRADE WHILE AVOIDING AS FAR AS POSSIBLE ABRUPT FLUCTUATIONS IN THEIR TRADE; LIMITED OFFICIAL USE

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(THIS TEXT ALREADY REGISTERED AS D/117.)

BEGIN TEXT:

(5.) S'EFFORCERONT DE REDUIRE OU D'ELIMINER PROGRESSIVEMENT LES ENTRAVES A UN DEVELOPPEMENT HARMONIEUX DES ECHANGES (POINT 10). END TEXT.

TRANSLATION: WILL ENDEAVOR TO REDUCE OR ELIMINATE PROGRESSIVELY THE OBSTACLES TO A HARMONIOUS DEVELOPMENT OF TRADE.

BEGIN TEXT:

(6.) S'EFFORCERONT D'ASSURER QUE LEURS ECHANGES
POUR LES DIVERS PRODUITS SOIENT EFFECTUES DANS DES
QUANTITIES ET DES CONDITIONS TELLES QU'ELLES NE PORTENT OU
NE MENACENT PAS DE PROTER UN PREJUDICE GRAVE AU MARCHE
INTERIEUR DE CES PRODUITS, ET NOTAMMENT AUX PRODUCTEURS
DE PRODUITS SIMILAIRES OU DIRECTEMENT CONCURRENTS.
S'ILS PRENNENT DES MESURES DE SAUVEGARDE, ILS
AURONT PRESENTS A
'ESPRIT LES INTERETS DES PARTIES EN
CAUSE ET SERONT DISPOSES A ENGAGES DES CONSULTATIONS
APPROPIEES (POINT 14). END TEXT.

TRANSLATION: WILL ENDEAVOR TO ENSURE THAT THEIR
TRADE IN THE VARIOUS PRODUCTS IS CONDUCTED IN SUCH QUANTITIES
AND UNDER SUCH CONDITIONS AS NOT TO CAUSE OR THREATEN TO
CAUSE SERIOUS INJURY TO THE INTERNAL MARKET FOR THOSE

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INFO OCT-01 IO-14 ISO-00 COME-00 EB-12 AGR-20 CIEP-03

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CEA-02 /208 W

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INFO USMISSION USNATO BRUSSELS

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PRODUCTS, AND NOTABLY TO PRODUCERS OF SIMILAR OR
DIRECTLY COMPETITIVE PRODUCTS. IF THEY TAKE SAFEGUARD

MEASURES, THEY WILL BEAR IN MIND THE INTERESTS OF THE PARTIES INVOLVED AND WILL BE PREPARED TO ENTER INTO APPROPRIATE CONSULTATIONS.

BEGIN TEXT:

(7.) ESTIMENT, ETANT DONNE LA VARIETE ET LA COMPLEXITE DES PROBLEMES QUE POSENT LES RELATIONS COMMERCIALES, QUE LA RECHERCHE ENTRE LES PARTIES INTERESSEES D'ARRANGEMENTS SUPPLEMENTAIRES EN PARTICULIER EN VUE DE L'APPLICATION DES DISPOSITIONS PRECITEES, POURRAIT CONTRIBUER A CETTE EXPANSION HARMONIEUSE DES ECHANGES, DANS LE RESPECT DE LEURS ENGAGEMENTS INTERNATIONAUX (POINT 15). END TEXT.

TRANSLATION: CONSIDER THAT, GIVEN THE VARIETY AND COMPLEXITY OF THE PROBLEMS RAISED BY COMMERCIAL RELATIONS, EFFORTS BY INTERESTED PARTIES TO EVOLVE LIMITED OFFICIAL USE

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SUPPLEMENTARY ARRANGEMENTS, IN PARTICULAR WITH REGARD TO GIVING EFFECT TO THE PRECEDING PROVISIONS, COULD CONTRIBUTE TO SUCH A HARMONIOUS EXPANSION OF TRADE, WITH DUE REGARD FOR THEIR INTERNATIONAL COMMITMENTS.

3. DELEGATION COMMENTS: PARA. (1.) TERM QUOTE EQUIVALENCE OF ADVANTAGES AND OBLIGATIONS UNQUOTE IS FROM NATO SPONSORED D/9. NEVERTHELESS, WE BELIEVE CONCEPT SUCH AS QUOTE MUTUALLY ACCEPTABLE BALANCE OF ADVANTAGES AND OBLIGATIONS UNQUOTE WOULD BE PREFERABLE. EQUIVALENCE IMPLIES BOTH ADVANTAGES AND OBLIGATIONS WOULD NOT ONLY BE MEASURABLE, BUT THAT EACH PARTY WOULD RECEIVE EXACTLY EQUAL ADVANTAGES AND UNDERTAKE QUANTITATIVELY EQUAL OBLIGATIONS.

PARA.(2.) DO NOT BELIEVE TEXT IS SUFFICIENTLY STRONG. HOWEVER, BELIEVE IT WOULD BE ACCEPTABLE IF LINKED TIGHTLY TO PARA. ONE BY DELETING QUOTE IN THIS SPIRIT END QUOTE AND ADDING QUOTE ON THIS BASIS UNQUOTE AT END. ACCEPTANCE OF SUCH VERSION WOULD ALSO HAVE TO BE CONDITIONED TO AGREEMENT ON ACCEPTABLE VERSION OF PARA. 7 WITH REFERENCE TO NEED FOR SUPPLEMENTARY ARRANGEMENTS.

PARA.(3.) THIS ATTEMPTS TO TAKE INTO ACCOUNT OUR CRITICISM OF PREVIOUS VERSION, AND OUR PREFERENCE FOR USSR COUNTERVERSION. (GENEVA 2920). WE BELIEVE REVISED TEXT ACCEPTABLE IF FINAL PART REWORDED TO SOMETHING AS FOLLOWS: AND TRYING TO ENSURE THAT IN TRADE WITH ALL THE VARIOUS PARTNERS FULL ADVANTAGE IS TAKEN OF THE POSSIBILITIES FOR TRADE EXPANSION.

PARA.(4.) ALREADY REGISTERED.

PARA.(5.) SEEMS ACCEPTABLE.

PARA.(6.) BELIEVE WE CAN GO ALONG FOR REASONS GIVEN
GENEVA 5771. FINAL SECTION ON CONSULTATIONS IS DRAFTED
TO REFLECT OUR COMMENTS ON EARLIER DRAFT.

PARA.(7.) WE CONSIDER THIS TO BE AN ESSENTIAL
PARAGRAPH IF MFN TO BE DEALT WITH AS INDICATED ABOVE.
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4. CONCERNING TACTICS, WE AGREE WITH EC ON DESIRABILITY
INTRODUCING NEW LANGUAGE AT THIS STAGE, BUT WITHOUT RETREATING
ON SUBSTANCE. WE THINK BEST PROCEDURE WOULD BE TO WORK OUT
IMPROVED TEXT IN NATO CAUCUS, BUT TO LET EC INTRODUCE IT AS
THEIR PROPOSAL, AND NOT EXPRESSING OUR VIEWS THEREON IN MEETING
UNTIL EASTERN REACTION KNOWN. IF THEY PRESSED FOR WEAKENING
OF TREATMENT OF MFN, WE COULD THEN INTERVENE IN OPPOSITE SENSE.

5. WE WILL REPORT WHEN EC OFFICIALLY TRANSMITS TEXT TO US. ABRAMS

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